

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT
OF
COUNTY EMERGENCY MEDICAL SERVICES
DELAWARE COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
09/12/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Tim Hutson	01-01-06 to 12-31-07
President of the County Council	Joseph M. Russell Bradley Bookout	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Thomas Bennington John Brooke	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Emergency Medical Services for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Delaware County for the year 2006.

STATE BOARD OF ACCOUNTS

July 10, 2007

COUNTY EMERGENCY MEDICAL SERVICES
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS - EMERGENCY MEDICAL SERVICES

Financial records presented for audit were incomplete and not reflective of the activity of the Emergency Medical Services (EMS) accounts receivable balances at December 31, 2006. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. Management has not met with their accounts receivable service provider, Ambulance Reimbursement Systems (ARS) to determine the necessary computerized records needed for a detailed accounts receivable listing and records to reconcile to the bank.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

INTERNAL CONTROLS

Controls over the receipting, recording, and accounting for the financial activities were insufficient as described below:

1. Money received in December 2005 was not receipted until April 2006;
2. Bank reconcilements are not being performed;
3. Detail of transactions was not requested from the ambulance billing company; and
4. A detailed accounts receivable listing was not available.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

Accounts receivable for emergency medical service billings were deleted from the records. The minutes presented for audit did not indicate approval of the governing body nor does the unit have a written policy for writing off adjustments to record balances. Additionally, documentation was not presented for audit concerning unsuccessful collection procedures prior to adjustments of the records.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY EMERGENCY MEDICAL SERVICES
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 10, 2007, with Tim Hutson, Director; and Cathy Miller, Office Manager.